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# Hilong Holding Limited
# 海隆控股有限公司*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1623)**

## SUPPLEMENTAL ANNOUNCEMENT

## QUARTERLY UPDATE ON IMPLEMENTATION OF ACTION PLAN TO RESOLVE AUDITOR'S DISCLAIMER OF OPINION

Reference is made to the announcement of Hilong Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 July 2025 (the "**Announcement**") in relation to the quarterly update on implementation of the action plan to resolve auditor's disclaimer of opinion. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those used in the Announcement.

The Company wishes to provide supplemental information on the implementation of the Action Plan during the Relevant Period, as follows:

(i) To explore new sources of financing, the Company has engaged in loan financing negotiations with five domestic and international banks and successfully completed the rollover of an existing bank loan in the second quarter of 2025, extending its maturity by one year. As of 30 June 2025, the bank borrowings of the Company (excluding the borrowings secured by bank acceptance bills and commercial acceptance bills) decreased in the range of 30% to 40% compared to 31 December 2024, primarily attributable to the repayment of bank loans to the Russian financing bank and the impact of default under the 2024 Notes.

(ii) To expedite the collection of trade and other receivables, the Company has made the following efforts:

(a) dedicated teams have been assigned to manage recovery efforts from top 10 customers, ensuring targeted and strategic engagement;

(b) receivables outstanding for over one year decreased in the range of 5% to 20% during the Relevant Period; and

(c) the Company has identified long-outstanding receivables and intends to take legal actions, including but not limited to issuing initial demand letters to customers, with further action pending based on response and feasibility.

(iii) The Company has undertaken a series of targeted initiatives aimed at reducing operating costs and strengthening cash flow management. During the Relevant Period, the Company has (i) conducted a comprehensive review and renegotiations of three supplier agreements to secure more favorable pricing structures and extended payment terms, and (ii) implemented policies to restrict non-essential travel, entertainment, and professional services.

The Board will continue to use its best endeavors to implement the Action Plan with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Action Plan as and when appropriate.

For and on behalf of the Board
**Hilong Holding Limited**
**ZHANG Jun**
*Chairman*

Hong Kong, 13 August 2025

*As at the date of this announcement, the executive director of the Company is Mr. ZHANG Jun; the non-executive directors are Ms. ZHANG Shuman, Dr. YANG Qingli, Mr. CAO Hongbo and Dr. FAN Ren Da Anthony; and the independent non-executive directors are Mr. WANG Tao, Mr. WONG Man Chung Francis and Mr. SHI Zheyan.*

* *For identification purpose only*